

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6806

BILL NUMBER: SB 246

DATE PREPARED: Dec 20, 2001

BILL AMENDED:

SUBJECT: Criminal Histories of Child Care Providers.

FISCAL ANALYST: Michael Molnar

PHONE NUMBER: 232-9559

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill prohibits reimbursement through the federal Child Care and Development Fund (CCDF) voucher program and licensure of certain child care providers based on criminal histories of providers, employees, volunteers, and household members.

Effective Date: July 1, 2002.

Explanation of State Expenditures: This bill may require additional administrative oversight for the Division of Family and Children. The Division revokes and rejects an average of 6 child care home licenses per year based upon the criminal history requirement in current law. Adding these additional requirements may increase the number of licenses revoked or rejected each year.

Criminal History Hits	1999	2000	2001
Misdemeanor	0	3	1
Felony	6	6	1
Note: These numbers are for licensed child care homes only and represent positive hits on a criminal history check.			

The bill adds criteria for voucher payment eligibility and licensing requirements. The bill adds misdemeanors related to the health or safety of a child to the list of criteria that make a provider ineligible for voucher payments. This criteria includes all child care providers that receive voucher payments regardless of provider type.

One of the current requirements for licensure and to receive CCDF funds is that the applicant shall provide limited criminal history checks for certain persons (the people included in this requirement vary upon the

child care provider category).

The Family and Social Services Administration (FSSA) currently has an appeals process in place for licensed child care homes that have had their license suspended, revoked, or denied due to non-compliance with established guidelines. The current appeals rate for these homes is 0.33%, or 13 out of 4,000 licensed child care homes.

This bill affects licensed child care homes, licensed child care centers, and those registered ministries and legally licensed exempt providers that accept CCDF vouchers. This bill affects a total of 12,707 child care providers. These are broken out by provider type as follows:

- 7,722 legally licensed exempt child care facilities serving 18,938 children,
- 389 registered ministries serving 6,165 children,
- 671 licensed centers serving 63,635 children, and
- 3,925 licensed homes serving 44,802 children

The number of denials for CCDF eligibility and licensure will increase. Based on the 0.33% denial rate, the Division would be expected to deny a total of 41 providers under the provisions of this bill. This is a 215% increase over the current denial rate. Staff estimate that the appeals process costs an average of \$400 per case for a total of **\$16,400** annually. If the number of additional appeals does not substantially exceed this forecast, then the agency should be able to absorb any additional costs. However, if the number of appeals increases beyond these expectations, then the agency will incur costs at a rate of \$400 per appeal.

The State Police will incur costs associated with performing the limited and full criminal history checks. It is assumed that the fees charged for these services are adequate to offset any expense incurred.

Background: This bill extends the current law to include misdemeanors and persons other than the child care provider. Under current law, child care providers convicted of a felony are ineligible for Child Care Development Fund (CCDF) vouchers. The addition of misdemeanors brings payment of CCDF vouchers in line with licensing requirements for child care centers and child care homes, which lose their license if a provider is found to have committed a felony or misdemeanor.

This bill requires criminal history checks for additional persons associated with the child care provider and expands the types of crimes included in the check. This bill includes the provision that an application for a child care center be denied if the applicant, or an employee, or a volunteer of the applicant were convicted of a felony or a misdemeanor related to the health or safety of a child. The bill also includes the provision that an application for a child care home be denied if the applicant, or a volunteer of the applicant, or a member of the applicant's household were convicted of a felony or a misdemeanor related to the health or safety of a child. Criminal history checks are to be paid for by the child care provider.

The cost of criminal history checks are:

- \$7.00 for a limited history check (includes instate arrests for one year or less, and all instate dispositions),
- \$10.00 for a full state history check (includes all instate arrests and dispositions including juvenile),
- \$34.00 for a full national history check (includes all arrests and dispositions including juvenile), or if the check is for a volunteer of the child care center, the cost is \$28.00.

Explanation of State Revenues: The State Police will receive additional revenues from the increased number of criminal history checks. Assuming that three checks are performed per child care provider, the

state will take in \$308,211 in revenues for performing an estimated 38,121 checks. It is assumed that these revenues offset any expenses incurred by the State Police.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Indiana State Police.

Local Agencies Affected:

Information Sources: Amy Brown, Legislative Director, Family and Social Services Agency, (317) 232-1149; Les Miller, Special Counsel, Indiana State Police, (317) 232-8317.